

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

C

W-02034A
Cienega Water Company, Inc.
P. O. Box 3518
Parker AZ 853440000

RECEIVED

APR 12 2005

AZ Corporation Commission
Director Of Utilities

ANNUAL REPORT

FOR YEAR ENDING

12	31	2004
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FOR COMMISSION USE

ANN04	04
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COMPANY INFORMATION

Company Name (Business Name) <u>Cienega Water Co., Inc.</u>		
Mailing Address <u>Po Box 3518</u>		
<u>Parker</u> (City)	<u>AZ</u> (State)	<u>85344</u> (Zip)
<u>928-667-2590</u> Telephone No. (Include Area Code)	<u>928-667-2590</u> Fax No. (Include Area Code)	<u>n/a</u> Pager/Cell No. (Include Area Code)
Email Address <u>elliejack@rraz.net</u>		
Local Office Mailing Address <u>same</u>		
 (City)	 (State)	 (Zip)
 Local Office Telephone No. (Include Area Code)	 Fax No. (Include Area Code)	 Pager/Cell No. (Include Area Code)
Email Address 		

MANAGEMENT INFORMATION

Management Contact: <u>Eleanor Stephan</u>		<u>President</u>	
(Name)		(Title)	
<u>31876</u> (Street)	<u>Cienega Springs Rd</u> (City)	<u>Parker</u> (State)	<u>85344</u> (Zip)
<u>928-667-2590</u> Telephone No. (Include Area Code)	<u>928-667-2590</u> Fax No. (Include Area Code)	<u>n/a</u> Pager/Cell No. (Include Area Code)	
Email Address <u>elliejack@rraz.net</u>			
On Site Manager: <u>same</u>			
(Name)			
 (Street)	 (City)	 (State)	 (Zip)
 Telephone No. (Include Area Code)	 Fax No. (Include Area Code)	 Pager/Cell No. (Include Area Code)	
Email Address 			

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: Jack Haas
 7804 Riverside Dr. Parker AZ 85344
 (Street) (City) (State) (Zip)
928-667-2590
 Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)
 Attorney: NONE
 (Name)
 (Street) (City) (State) (Zip)
 Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- | | |
|---|--|
| <input type="checkbox"/> Sole Proprietor (S) | <input checked="" type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P) | <input type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input type="checkbox"/> Association/Co-op (A) |
| <input type="checkbox"/> Receivership (R) | <input type="checkbox"/> Limited Liability Company |
| <input type="checkbox"/> Other (Describe) _____ | |

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- | | | |
|--|-----------------------------------|-----------------------------------|
| <input type="checkbox"/> APACHE | <input type="checkbox"/> COCHISE | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA | <input type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input checked="" type="checkbox"/> LA PAZ | <input type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE |
| <input type="checkbox"/> NAVAJO | <input type="checkbox"/> PIMA | <input type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

COMPANY NAME Cienega Water Co., Inc.

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements			
307	Wells and Springs	10565	10565	0
311	Pumping Equipment			
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes & Storage Tanks	42793	7510	35283
331	Transmission and Distribution Mains	61812	6182	55630
333	Services	20637	2064	18573
334	Meters and Meter Installations	17880	9564	8316
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	3545	354	3191
340	Office Furniture and Equipment	1177	1177	0
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment	2408	2408	0
344	Laboratory Equipment			
345	Power Operated Equipment	12155	2431	9724
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	172,972	42,255	130,718

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME Cienega Water Co., Inc.

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements			
307	Wells and Springs			
311	Pumping Equipment			
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes			
331	Transmission and Distribution Mains			
333	Services			
334	Meters and Meter Installations			
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS			

Please refer to attached...
Pg 5-A

This amount goes on the Comparative Statement of Income and Expense
Acct. No. 403.

Depreciation spread for Cienega Water Co.

description	yr purch'd	orig cost	prev. deprec.	2000 deprec.	2001 deprec.	2002 deprec.	2003 deprec.	2004 deprec.	total deprec'd	balance left
wells & springs	pre 1999	10,565.00	10,565.00	0.00	0.00	0.00	0.00	0.00	10,565.00	0.00
distribution res. & standpipe	pre 1999	3,599.00	3,455.00	134.00	0.00	0.00	1.00	0.00	3,590.00	-1.00
original meters	pre 1999	17,890.00	1,913.00	1,950.92	0.00	1,900.00	1,900.00	1,900.00	9,563.92	8,316.08
office equipment	pre 1999	1,079.00	1,079.00	0.00	0.00	0.00	0.00	0.00	1,079.00	0.00
equipment & tools	2000	1,291.63	0.00	1,291.63	0.00	0.00	0.00	0.00	1,291.63	0.00
equipment & tools	2001	1,116.66	0.00	0.00	1,116.66	0.00	0.00	0.00	1,116.66	0.00
power operated equip	2002	12,155.30	0.00	0.00	810.35	810.35	810.35	810.35	2,431.05	9,724.25
this portion of replacement equipment was ran thru at 15 yr S/L and completed in 2002										
office equipment	2003	98.13	0.00	0.00	0.00	0.00	98.13	0.00	98.13	0.00
storage tanks	2003	39,204.00	0.00	0.00	0.00	0.00	1,960.00	1,960.00	3,920.00	35,284.00
trans & distrib mains	2003	61,811.70	0.00	0.00	0.00	0.00	3,091.00	3,091.00	6,182.00	55,629.70
Services	2003	20,637.00	0.00	0.00	0.00	0.00	1,032.00	1,032.00	2,064.00	18,573.00
other plant & misc equipment	2003	3,545.00	0.00	0.00	0.00	0.00	177.00	177.00	354.00	3,191.00
the above four items of replacement equipment we will ra thru at 20 yr S/L and completed in 2003										
totals		172,972.42	17,012.00	3,376.55	1,116.66	2,710.35	9,069.48	8,970.35	42,255.39	97,431.99
total of depreciation			17,012.00	20,388.55	21,505.21	24,215.56	33,285.04	42,255.39		

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COMPANY NAME Cienega Water Co., Inc.

BALANCE SHEET

Acct No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$	\$
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable		
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$	\$
	FIXED ASSETS		
101	Utility Plant in Service	\$	
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant		
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$	\$
	TOTAL ASSETS	\$	\$

Please refer to attached...
Pg 6-7 A & B

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

COMPANY NAME Cienega Water Co., Inc.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITIES		
231	Accounts Payable	\$	\$
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits		
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES		\$
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$	\$
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$	\$
	TOTAL LIABILITIES	\$	\$
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$	\$
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings		
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$	\$
	TOTAL LIABILITIES AND CAPITAL	\$	\$

Please refer to attached...
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1:59 PM

03/29/05

Accrual Basis

Cienega Water Co., Inc.
Balance Sheet Prev Year Comparison
 As of December 31, 2004

	Dec 31, 04	Dec 31, 03
ASSETS		
Current Assets		
Checking/Savings		
105 · Cash in Bank - Bank One	8,794.68	-1,676.86
115 · Bank One high bal [work loan]	0.00	9,618.60
Total Checking/Savings	8,794.68	7,941.74
Total Current Assets	8,794.68	7,941.74
Fixed Assets		
185 · Utility Plant in Serv	14,154.00	14,154.00
190 · Orig. Meters 1995	17,879.78	17,879.78
191 · New-Repl'd Construction '02-'03		
191-A · Storage Tanks	39,204.00	39,204.00
191-B · Trans & Distrib. Mains	61,812.00	61,812.00
191-C · Update Service Loc.	20,637.00	20,637.00
191-D · Power Operated Equipment	12,155.00	12,155.00
191-E · Other Misc Plant	3,545.00	3,545.00
Total 191 · New-Repl'd Construction '02-...	137,353.00	137,353.00
192 · Small Equipment & Tools	2,408.29	2,408.29
193 · Office Equipment	1,176.67	1,176.67
195 · XX- Accum. Depreciation	-42,255.39	-33,285.04
Total Fixed Assets	130,716.35	139,686.70
Other Assets		
197 · Computers	2,239.74	2,239.74
Total Other Assets	2,239.74	2,239.74
TOTAL ASSETS	141,750.77	149,868.18
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
205 · Accts Payables	3,600.00	3,600.00
Total Accounts Payable	3,600.00	3,600.00
Other Current Liabilities		
200 · Notes Payable	1,000.00	1,000.00
Total Other Current Liabilities	1,000.00	1,000.00
Total Current Liabilities	4,600.00	4,600.00
Long Term Liabilities		
240 · LongTerm Notes/Bonds	43,648.00	43,648.00
245 · LongTerm CSDC-Loans	12,000.00	12,000.00
250 · Work Loan from Merco	139,187.95	142,682.95
Total Long Term Liabilities	194,835.95	198,330.95
Total Liabilities	199,435.95	202,930.95
Equity		
325 · Capital Stock	5,700.00	5,700.00

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1:59 PM

03/29/05

Accrual Basis

Cienega Water Co., Inc.
Balance Sheet Prev Year Comparison
As of December 31, 2004

	<u>Dec 31, 04</u>	<u>Dec 31, 03</u>
350 - Retained Earnings	-58,762.77	-46,478.00
Net Income	-4,622.41	-12,284.77
Total Equity	<u>-57,685.18</u>	<u>-53,062.77</u>
TOTAL LIABILITIES & EQUITY	<u>141,750.77</u>	<u>149,868.18</u>

Pg. Pg 6-7B

COMPANY NAME Cienega Water Co., Inc.

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$	\$
460	Unmetered Water Revenue		
474	Other Water Revenues		
	TOTAL REVENUES	\$	\$
	OPERATING EXPENSES		
601	Salaries and Wages	\$	\$
610	Purchased Water		
615	Purchased Power		
618	Chemicals		
620	Repairs and Maintenance		
621	Office Supplies and Expense		
630	Outside Services		
635	Water Testing		
641	Rents		
650	Transportation Expenses		
657	Insurance – General Liability		
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense		
403	Depreciation Expense		
408	Taxes Other Than Income		
408.11	Property Taxes		
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$	\$
	OPERATING INCOME/(LOSS)	\$	\$
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		
	TOTAL OTHER INCOME/(EXPENSE)	\$	\$
	NET INCOME/(LOSS)	\$	\$

Please refer to attached...
p 8 - A

2:05 PM
03/29/05
Cash Basis

Cienega Water Co., Inc.
Profit & Loss Prev Year Comparison
January through December 2004

	<u>Jan - Dec 04</u>	<u>Jan - Dec 03</u>
Income		
410 · Metered Water Sales	35,156.26	33,058.45
425 · Interest Income	0.00	508.80
480 · Liens prior to 01/01/94	0.00	1,049.76
490 · Miscellaneous Income	62.13	0.00
Total Income	35,218.39	34,616.81
Expense		
610 · Automobile Expenses	574.53	0.00
611 · Bank Charges	235.94	298.97
612 · Depreciation	8,970.35	9,069.48
615 · Dues & Subscriptions	120.00	170.00
618 · Equipment R & M	2,400.00	2,400.00
620 · Insurance	53.36	0.00
625 · Interest Pd	9,581.04	14,654.34
631 · Management Services	7,200.00	7,200.00
635 · Office Exp & Postage	199.69	439.15
640 · Prof. Fees (Legal/Acct)	1,601.25	1,103.75
645 · Supplies	3,598.15	3,095.65
647 · Water Testing	1,249.73	867.02
650 · Sales Taxes	1,788.32	2,232.81
665 · Travel	0.00	3,041.58
670 · Meals & Entertainment	0.00	50.00
685 · Utilities	1,062.18	1,253.83
690 · Income Taxes	50.00	0.00
698 · Property Taxes	1,156.26	1,025.00
Total Expense	39,840.80	46,901.58
Net Income	<u>-4,622.41</u>	<u>-12,284.77</u>

Pg 8-A

COMPANY NAME Cienega Water Co., Inc.

SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	07-01-02			
Source of Loan	Private			
ACC Decision No.	63751 & Add'l			
Reason for Loan	Reconstruction & Replacement			
Dollar Amount Issued	\$ 146533	\$	\$	\$
Amount Outstanding	\$ 139187 ⁹⁵	\$	\$	\$
Date of Maturity	06-30-24			
Interest Rate	7% %	%	%	%
Current Year Interest	\$ 9581 ⁰⁴	\$	\$	\$
Current Year Principle	\$ 4155 ³²	\$	\$	\$

Meter Deposit Balance at Test Year End \$ ~~0~~

Meter Deposits Refunded During the Test Year \$ ~~0~~

COMPANY NAME

Cienega Water Co., Inc.

WATER COMPANY PLANT DESCRIPTIONWELLSnot in use
@ this time

# well	ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
1	620744	1	6-7	98	8	1 1/2	1945
2	617676	1	6-7	96	6	2	1959
3	617677	1	6-7	95	10	1 1/2	1960

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
NONE		

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
N/A		NONE	

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
5,000	4	N/A	

COMPANY NAME Cienega Water Co., Inc.

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2	trassite	1370
3	↙	3190
4	↘	1120
5		
6		
8		
10		
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	68
3/4	
1	
1 1/2	
2	1
Comp. 3	
Turbo 3	
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT:

N/A

STRUCTURES:

STORAGE TANKS

OTHER:

meters - wells & springs - office Furniture & Fixtures

COMPANY NAME: Cienega Water Co., Inc.

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2004

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY			
FEBRUARY			
MARCH			
APRIL			
MAY			
JUNE			
JULY			
AUGUST			
SEPTEMBER			
OCTOBER			
NOVEMBER			
DECEMBER			
TOTAL			

Please refer to attached...
pg 12, A & B

Is the Water Utility located in an ADWR Active Management Area (AMA)?

() Yes

(X) No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

() Yes

(X) No

If yes, provide the GPCPD amount: _____

What is the level of arsenic for each well on your system. _____ mg/l

(If more than one well, please list each separately.)

Note: If you are filing for more than one system, please provide separate data sheets for each system.

Cienega Water Co., Inc.
for tes year 2003

Water billed to customers in 2004

month	year	number of connections per month	gallons sold per month
jan	2003	60	212,479
feb		59	177,704
mar		60	218,744
apr		59	228,702
may		60	222,253
jun		61	301,242
jul		60	275,634
aug		59	336,652
sep		58	232,293
oct		59	224,855
nov		59	282,759
dec		59	157,135

2,870,452 total gallons billed out in 2004

Meter Descriptions & count

69 total possible meter sites
 -2 no meters on lot - no deposit
 -4 meters not in use - no deposit
 -4 meters locked out

59 total meters in use

Total Water Pumped in 2004

total water billed	2,870,452	
estimated flushing water	22,500	put a new meter in the middle of may now flushing is with billed
donation water	13,300	
loss due to break in lines etc.	40,950	
total water pumped	2,947,202	
actual total water pumped	2,946,995	
over/short	207	

Total water pumped each month

Total water pumped each month										
WELL #2	2004 running total	WELL #3	pumped	sold	pumped vs sold		flushing	estimate		notes on water breaks
					sub	total		donation water	water breaks	
Dec-03	79513200	Dec-03	318520							
JAN	79984300	JAN	213,080	212,479	1,181	5,000	945	4,764		
FEB	79854100	FEB	186,845	177,704	9,141	5,000	3,505	-636		
MAR	80096300	MAR	271,770	218,744	53,026	5,000	2,340	22,450	fire below holding tank	
APR	80300100	APR	230,580	228,702	1,878	5,000	960	4,082		
MAY	80521900	MAY	243,400	222,253	21,147	2,500	420	-18,227	put new meter on 67	
JUNE	80769700	JUNE	275,130	301,242	-26,112		320	26,432	after new meter flushing goes thru it	
JULY	80981200	JULY	236,630	275,634	-39,004		410	39,414		
AUG	81268100	AUG	313,450	336,652	-23,202		540	23,742		
SEPT	81499800	SEPT	251,950	232,293	19,657		370	-19,287		
OCT	81716000	OCT	242,260	224,855	17,405		610	-16,795		
NOV	82009800	NOV	324,180	282,759	41,421		1,300	18,500	estimated loss due to breakage	
DEC	82151400	DEC	157,140	157,135	5		1,580	1,575		
tot water	2,638,200	tot water	2,946,995	2,870,452	76,543	22,500	13,300	40,950	207	

this figure is a monthly estimate

WATER STATION

Dec	118530	945
JAN	119475	3505
FEB	122980	2340
MAR	125320	980
APR	128280	420
MAY	128700	320
JUNE	127020	410
JULY	127430	540
AUG	127970	370
SEPT	128340	610
OCT	128950	1300
NOV	130250	1580
DEC	131830	

Pg 12-B

COMPANY NAME Cienega Water Co., Inc. YEAR ENDING 12/31/2004

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2004 was: \$ 1156²⁶—

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

Please refer to attached...
Pg 13-14

CIENEGA WATER COMPANY, INC.
PH. 520-667-2590
P.O. BOX 3518
PARKER, AZ 85344

COPY

1248

91-2195
1221

DATE 9.28.04

PAY TO THE ORDER OF La Paz Co Treasurer

\$ 1156.26

One Thousand, One Hundred & Fifty Six & 26/100

DOLLARS

BANK ONE

Bank One, Arizona, NA
Parker Office (195)
Parker, Arizona

FOR Parcel 937-42-703-6

001248 1221000240

25325354

2004 TAX NOTICE

COUNTY OF LA PAZ

ARIZONA

ADDRESS: 1112 JOSHUA AVE #203
PARKER AZ 85344

LEGAL DESCRIPTION SECTION TWN RNG ACRES
TOTAL VALUE OF OPERATING PROPERTY

USE 5500

TAX ROLL NUMBER	18157
PARCEL IDENTIFICATION	937-42-703 6
TAX AREA CODE	2703

IMPORTANT - SEE REVERSE SIDE
FOR COMPLETE EXPLANATION OF
YOUR 2004 TAX NOTICE AND
PAYMENT INSTRUCTIONS

937-42-703 6 18157

CIENEGA WATER COMPANY
ELEANOR STEPHAN/SEC-TREAS
P O BOX 3518
PARKER AZ 85344



02-3257

2004 TAX SUMMARY (3)

PRIMARY AD VALOREM TAX	582.24
LESS STATE AID TO EDUCATION	.00
NET PRIMARY AD VALOREM TAX	582.24
SECONDARY AD VALOREM TAX	574.02
SPECIAL DISTRICT TAX	.00

PAY TOTAL OR HALF TAX

TOTAL TAX DUE	1,156.26
HALF TAX	578.13

DELINQUENT DATES

1st HALF NOV. 1, 2004
2nd HALF MAY 1, 2005

THIS IS THE ONLY NOTICE YOU WILL RECEIVE
NO RECEIPT WILL BE SENT UNLESS REQUESTED

ITEM	UNITED VALUE (ASMT.)	ASSESSED VALUE	EXEMPTION	TAX RATE	AD VALOREM TAX
LAND, BLDGS, ETC.	0 250	0	0	4.5665	.00
PERSONAL PROPERTY	510.00 250	127.50	0	4.5665	582.24
TOTALS	510.00	127.50	0		582.24

ITEM	FULL CASH VALUE (ASMT.)	ASSESSED VALUE	EXEMPTION	TAX RATE	AD VALOREM TAX
LAND	0 250	0	0	4.5021	.00
BLDG, ETC.	0 30	0	0	0	.00
PERSONAL PROPERTY	510.00 250	127.50	0	4.5021	574.02
TOTALS	510.00	127.50	0		574.02

TAX CODE	TAX JURISDICTION	2004 PRIMARY	2004 SECONDARY	2004 TOTAL	2003 TOTAL	DIFFERENCE
12000	LA PAZ COUNTY	286.89	.00	286.89	253.13	337.6
12001	SCHOOL EQUALIZATION	58.14	.00	58.14	53.07	507
18150	COMMUNITY COLLEGE	237.21	27.77	264.98	231.40	335.8
0698	LA PAZ HOSPITAL DISTRICT	.00	84.15	84.15	74.25	99.0
1202	BUCKSKIN FD	.00	294.37	294.37	253.58	407.9
1900	FIRE DISTRICT ASSISTANCE	.00	12.75	12.75	11.25	15.0
7027	SD #27 CLASS A BONDS	.00	154.98	154.98	148.32	66.6
	TOTALS	582.24	574.02	1,156.26	1,025.00	131.26

PLEASE RETURN THIS PORTION WITH PAYMENT TO:

ELLEN SOLPER
LA PAZ CO. TREASURER
1112 JOSHUA AVE #203
PARKER AZ 85344

TAX ROLL NUMBER	18157
PARCEL IDENTIFICATION	937-42-703 6
TAX AREA CODE	2703

RECEIPT REQUESTED ()

CIENEGA WATER COMPANY
P O BOX 3518
PARKER AZ 85344

* TOTAL TAX DUE IS \$100.00 OR LESS FULL AMOUNT IS DUE NOW.
SEE PAYMENT INSTRUCTIONS ON REVERSE SIDE OF NOTICE.
ENTER ADDRESS CORRECTION ON THE BACK OF THIS COUPON.

2004 2ND-HALF COUPON

PAY 2ND HALF	PAY	578.13
--------------	-----	--------

NOTE: 2nd HALF TAXES DELINQUENT AFTER MAY 1, 2005

PLEASE RETURN THIS PORTION WITH PAYMENT TO:

ELLEN SOLPER
LA PAZ CO. TREASURER
1112 JOSHUA AVE #203
PARKER AZ 85344

TAX ROLL NUMBER	18157
PARCEL IDENTIFICATION	937-42-703 6
TAX AREA CODE	2703

RECEIPT REQUESTED ()

CIENEGA WATER COMPANY
P O BOX 3518
PARKER AZ 85344

* IF TOTAL TAX DUE IS \$100.00 OR LESS FULL AMOUNT IS DUE NOW.
SEE PAYMENT INSTRUCTIONS ON REVERSE SIDE OF NOTICE.
ENTER ADDRESS CORRECTION ON THE BACK OF THIS COUPON.

2004 1ST HALF COUPON

TO PAY 1ST HALF ONLY	PAY	578.13
TO PAY FULL YEAR TAX	PAY	1,156.26

NOTE: 1st HALF TAXES DELINQUENT AFTER NOV 1, 2004

COMPANY NAME _____

YEAR ENDING 12/31/2004

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported _____
Estimated or Actual Federal Tax Liability _____

State Taxable Income Reported _____
Estimated or Actual State Tax Liability _____

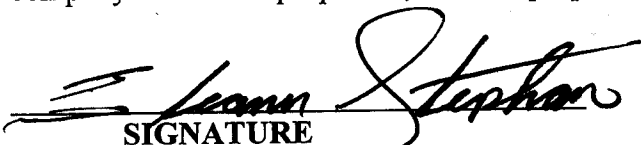
Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances _____
Amount of Gross-Up Tax Collected _____
Total Grossed-Up Contributions/Advances _____

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information for Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.


SIGNATURE

3-29-05
DATE

Eleanor Stephan
PRINTED NAME

President
TITLE

Please refer to attached...

COPY

OMB No. 1545-0123

2004

Form 1120

Department of the Treasury
Internal Revenue Service

U.S. Corporation Income Tax Return

For calendar year 2004 or tax year beginning _____, 2004, ending _____

▶ See separate instructions.

A Check if: 1 Consolidated return (attach Form 951) <input type="checkbox"/> 2 Personal holding company (attach Schedule PH) <input type="checkbox"/> 3 Personal service corp (see instructions) <input type="checkbox"/> 4 Schedule M-3 required (attach Sch M-3) <input type="checkbox"/>		Use IRS label. Otherwise, print or type. Name: Cienega Water Co., Inc. Number, street, and room or suite number. If a P.O. box, see instructions. P O Box 3518 City or town: Parker state: AZ ZIP code: 85344	B Employer identification number 86-0203803 C Date incorporated 07/01/65 D Total assets (see instructions) \$ 141,751.
E Check if: (1) Initial return (2) Final return (3) Name change (4) Address change			

INCOME	1a Gross receipts or sales	35,218.	1b Less returns & allowances		c Balance	1c	35,218.
	2 Cost of goods sold (Schedule A, line 8)					2	
	3 Gross profit. Subtract line 2 from line 1c					3	35,218.
	4 Dividends (Schedule C, line 19)					4	
	5 Interest					5	
	6 Gross rents					6	
	7 Gross royalties					7	
	8 Capital gain net income (attach Schedule D (Form 1120))					8	
	9 Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)					9	
	10 Other income (see instructions — attach schedule)					10	
	11 Total income. Add lines 3 through 10					11	35,218.
DEDUCTIONS SEE INSTRUCTIONS	12 Compensation of officers (Schedule E, line 4)					12	
	13 Salaries and wages (less employment credits)					13	
	14 Repairs and maintenance					14	2,400.
	15 Bad debts					15	
	16 Rents					16	
	17 Taxes and licenses					17	2,994.
	18 Interest					18	9,581.
	19 Charitable contributions (see instructions for 10% limitation)					19	
	20 Depreciation (attach Form 4562)	20	8,970.				
	21 Less depreciation claimed on Schedule A and elsewhere on return	21a				21b	8,970.
	22 Depletion					22	
23 Advertising					23		
24 Pension, profit-sharing, etc, plans					24		
25 Employee benefit programs					25		
26 Other deductions (attach schedule) See Other Deductions Statement.					26	15,895.	
27 Total deductions. Add lines 12 through 26					27	39,840.	
28 Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11					28	-4,622.	
29 Less: a Net operating loss deduction (see instructions)	29a						
b Special deductions (Schedule C, line 20)	29b				29c		
30 Taxable income. Subtract line 29c from line 28 (see instructions if Sch C, line 12, was completed)					30	-4,622.	
31 Total tax (Schedule J, line 11)					31		
32 Payments: a 2003 overpayment credited to 2004	32a						
b 2004 estimated tax payments	32b						
c Less 2004 refund applied for on Form 4466	32c						
d Tax deposited with Form 7004	32d						
e Credit for tax paid on undistributed capital gains (attach Form 2439)	32e						
f Credit for federal tax on fuels (attach Form 4136). See instructions	32f						
g Credit for federal tax on fuels (attach Form 4136). See instructions	32g				32h		
33 Estimated tax penalty (see instructions). Check if Form 2220 is attached					33		
34 Tax due. If line 32h is smaller than the total of lines 31 and 33, enter amount owed					34		
35 Overpayment. If line 32h is larger than the total of lines 31 and 33, enter amount overpaid					35		
36 Enter amount of line 35 you want: Credited to 2005 estimated tax					36		

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

May the IRS discuss this return with the preparer shown below? (see inst)

Yes ☐ No ☒

Signature of officer

Date

Title

Paid Preparer's Use Only

Preparer's signature

tricia walker

Date

03/08/05

Check if self-employed ☒

Preparer's SSN or PTIN

551-68-6798

Firm's Name (or yours if self-employed), address, and ZIP code

tricia walker consulting

10103 Marina Loop

Parker

AZ 85344

EIN 86-0714123

Phone no. (928) 667-3517

BAA For Privacy Act and Paperwork Reduction Act Notice, see separate instructions.

CPA0212 12/22/04

Form 1120 (2004)

Pg 14-A

ARIZONA FORM

Arizona Corporation Income Tax Return

2004

120

For taxable year beginning 01/01/2004, and ending 12/31/2004

Mail to: Arizona Department of Revenue, PO Box 29079, Phoenix AZ 85038-9079

CHECK ONE:

Calendar year ☒ Fiscal year ☐

Business telephone number (520) 667-2590	Please Type or Print	Name Cienega Water Co., Inc.	Employer identification number (EIN) 86-0203803
Business activity code number (from federal Form 1120) 221300		Number and street or PO Box P O Box 3518	AZ withholding tax number
		City, or town, state, and ZIP code Parker AZ 85344	AZ transaction privilege tax number

(68) Check box if: ☐ This is a first return ☐ Name change ☐ Address changeA Is FEDERAL return filed on a consolidated basis? ☐ Yes ☒ No

If yes, list EIN of common parent from consolidated return

B ARIZONA filing method: (Check only one) See instructions

1 ☒ Separate company 2 ☐ Combined (unitary group) 3 ☐ Consolidated

C If ARIZONA filing method is combined or consolidated, see Form 51 instructions

Are there any additions or deletions on Form 51? ☐ Yes ☐ NoD Is this the corporation's final ARIZONA return? ☐ Yes ☒ NoIf yes, check one: Dissolved ☐ Withdrawn ☐ Merged/Reorganized ☐

List EIN of the successor corporation, if any

FOR DOR USE ONLY

(81) (66)
(82) CHECK BOX IF: Federal extension used to file return. 82F ☐

1 Taxable income — per attached federal return	1	-4,622.
2 Additions to taxable income — from page 2, Schedule A, line A13	2	9,020.
3 Total taxable income — add lines 1 and 2	3	4,398.
4 Subtractions from taxable income — from page 2, Schedule B, line B13	4	8,970.
5 Adjusted income — subtract line 4 from line 3. WHOLLY ARIZONA CORPORATIONS GO TO LINE 13	5	-4,572.
6 Arizona adjusted income — from line 5. MULTISTATE CORPORATIONS ONLY	6	
7 Nonapportionable or allocable amounts — from page 3, Schedule D, line D8. Multistate corporations only	7	
8 Adjusted business income — subtract line 7 from line 6. Multistate corporations only	8	
9 Arizona apportionment ratio — from Schedule C or Schedule ACA	9	
10 Adjusted business income apportioned to Arizona — line 8 multiplied by line 9. Multistate corps only	10	
11 Other income allocated to Arizona — from page 3, Schedule E, line E7. Multistate corporations only	11	
12 Adjusted income attributable to Arizona — add lines 10 and 11. Multistate corporations only	12	
13 Arizona income before NOL — from line 5 or line 12	13	-4,572.
14 Arizona basis net operating loss carryover — attach computation schedule	14	
15 Arizona taxable income — subtract line 14 from line 13	15	-4,572.
16 Enter tax. Tax is 6.968 percent of line 15 or fifty dollars (\$50), whichever is greater	16	50.
17 Tax from recapture of tax credits — from Form 300, Part II, line 25	17	
18 Subtotal — add lines 16 and 17	18	50.
19 Clean Elections Fund Tax Reduction. Check this box to send \$5 to the fund and reduce the tax (line 18) by \$5. Enter the amount of the tax reduction	19A	<input type="checkbox"/>
20 Nonrefundable tax credits — from Arizona Form 300, Part II, line 48	20	
21 Credit type — enter form number for each nonrefundable credit claimed	21	3 3 3 3 3
22 Tax liability — subtract the sum of lines 19 and 20 from line 18	22	50.
23 Clean Elections Fund Tax Credit. SEE INSTRUCTIONS BEFORE COMPLETING THIS LINE	23	
24 Tax liability after Clean Elections Fund tax credit — subtract line 23 from line 22	24	50.
25 Refundable tax credits — see instructions	25	
26 Credit type — enter form number for each refundable credit claimed	26	3
27 Retroactive consolidation tax payment credit — see instructions	27	
28 Extension payment made with Form 120EXT — see instructions	28	
29 Estimated tax payments — see instructions	29	
30 Total payments — see instructions	30	
31 Balance of tax due — If line 24 is larger than line 30, enter balance of tax due. Skip line 32	31	50.
32 Overpayment of tax — If line 30 is larger than line 24, enter overpayment of tax	32	
33 Penalty and interest	33	
34 Estimated tax underpayment penalty. If Form 220 is attached, check box	34A	<input type="checkbox"/>
35 Donation to Citizens Clean Elections Fund — see instructions	35	
36 TOTAL DUE — payment must accompany return	36	50.
37 OVERPAYMENT — see instructions	37	
38 Amount of line 37 to be applied to 2005 estimated tax	38	
39 Amount to be refunded — subtract line 38 from line 37	39	

RECEIVED

VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only

APR 12 2005

AZ Corporation Commission
Director Of Utilities

VERIFICATION

STATE OF _____

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)
NAME (OWNER OR OFFICIAL) TITLE
COMPANY NAME

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2004

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2004 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ _____

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ _____
IN SALES TAXES BILLED, OR COLLECTED)

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

DAY OF

(SEAL)

SIGNATURE OF OWNER OR OFFICIAL

TELEPHONE NUMBER

COUNTY NAME	
MONTH	.20__

SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES _____

FINANCIAL INFORMATION

Attach to this annual report a copy of the companies' year-end (Calendar Year 2004) financial statements. If you do not compile these reports, the Utilities Division will supply you with blank financial statements for completion and filing. **ALL INFORMATION MUST BE ARIZONA-SPECIFIC AND REFLECT OPERATING RESULTS IN ARIZONA.**

Please refer to attached...
pg 17- A-B & C

2:25 PM
03/29/05
Accrual Basis

Cienega Water Co., Inc.
Balance Sheet
As of December 31, 2004

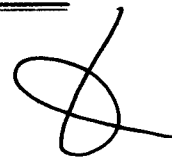
	<u>Dec 31, 04</u>
ASSETS	
Current Assets	
Checking/Savings	
105 · Cash in Bank - Bank One	8,794.68
Total Checking/Savings	<u>8,794.68</u>
Total Current Assets	8,794.68
Fixed Assets	
185 · Utility Plant in Serv	14,154.00
190 · Orig. Meters 1995	17,879.78
191 · New-Repl'd Construction '02-'03	
191-A · Storage Tanks	39,204.00
191-B · Trans & Distrib. Mains	61,812.00
191-C · Update Service Loc.	20,637.00
191-D · Power Operated Equipment	12,155.00
191-E · Other Misc Plant	3,545.00
Total 191 · New-Repl'd Construction '02-...	<u>137,353.00</u>
192 · Small Equipment & Tools	2,408.29
193 · Office Equipment	1,176.67
195 · XX- Accum. Depreciation	<u>-42,255.39</u>
Total Fixed Assets	130,716.35
Other Assets	
197 · Computers	2,239.74
Total Other Assets	<u>2,239.74</u>
TOTAL ASSETS	<u><u>141,750.77</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
205 · Accts Payables	3,600.00
Total Accounts Payable	<u>3,600.00</u>
Other Current Liabilities	
200 · Notes Payable	1,000.00
Total Other Current Liabilities	<u>1,000.00</u>
Total Current Liabilities	4,600.00
Long Term Liabilities	
240 · LongTerm Notes/Bonds	43,648.00
245 · LongTerm CSDC-Loans	12,000.00
250 · Work Loan from Merco	139,187.95
Total Long Term Liabilities	<u>194,835.95</u>
Total Liabilities	199,435.95
Equity	
325 · Capital Stock	5,700.00
350 · Retained Earnings	-58,762.77

pg 17-A

2:25 PM
03/29/05
Accrual Basis

Cienega Water Co., Inc.
Balance Sheet
As of December 31, 2004

	Dec 31, 04
Net Income	<u>-4,622.41</u>
Total Equity	<u>-57,685.18</u>
TOTAL LIABILITIES & EQUITY	<u>141,750.77</u>



Pg 17-B

2:25 PM
03/29/05
Accrual Basis

Cienega Water Co., Inc.
Profit & Loss
January through December 2004

	<u>Jan - Dec 04</u>
Income	
410 · Metered Water Sales	35,156.26
490 · Miscellaneous Income	62.13
Total Income	<u>35,218.39</u>
Expense	
610 · Automobile Expenses	574.53
611 · Bank Charges	235.94
612 · Depreciation	8,970.35
615 · Dues & Subscriptions	120.00
618 · Equipment R & M	2,400.00
620 · Insurance	53.36
625 · Interest Pd	9,581.04
631 · Management Services	7,200.00
635 · Office Exp & Postage	199.69
640 · Prof. Fees (Legal/Acct)	1,601.25
645 · Supplies	3,598.15
647 · Water Testing	1,249.73
650 · Sales Taxes	1,788.32
685 · Utilities	1,062.18
690 · Income Taxes	50.00
698 · Property Taxes	1,156.26
Total Expense	<u>39,840.80</u>
Net Income	<u><u>-4,622.41</u></u>

Pg 17-C

VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY

RECEIVED

APR 12 2005

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

COUNTY OF (COUNTY NAME) <u>LA PAZ</u>	
NAME (OWNER OR OFFICIAL) <u>Eleanor Stephan</u>	TITLE <u>President</u>
COMPANY NAME <u>Cienega Water Co., Inc.</u>	

MONTH	DAY	YEAR
12	31	2004

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2004 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 35,156²⁶

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 1,788.32
IN SALES TAXES BILLED, OR COLLECTED)

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.

Eleanor Stephan
SIGNATURE OF OWNER OR OFFICIAL

928-667-2590

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

8

DAY OF

NOTARY PUBLIC NAME <u>Geraldine Pfleger</u>	
COUNTY NAME <u>La Paz</u>	
MONTH <u>April</u>	YEAR <u>2005</u>

(SEAL)

MY COMMISSION EXPIRES



Geraldine Pfleger
SIGNATURE OF NOTARY PUBLIC